

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, July 21, 2020, Noon Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of June 23, 2020 (*Action*) (*Enclosure*)
- 2) Northland Beltline Corridor
 - a) 777 Northland – Select Demolition Proposal Review (*Recommendation*) (*Enclosure*)
 - b) Northland Corridor – Draft Amended & Restated Leasing Policy (*Recommendation*) (*Encl.*)
 - c) Northland Corridor – Beltline BOA, LISC Grant, Business Series & Misc. Updates (*Info*)
 - d) Northland Corridor – Community Solar & Microgrid Project Update (*Information*)
 - e) Northland Corridor – Reddy Bikeshare (*Information*)
 - f) Northland Central – SHPO Part 3 Certification / NPS Review (*Information*) (*Enclosure*)
 - g) Northland Central – Phase 2 Construction Update (*Information*)
 - h) Northland Central – Reteck Construction Update (*Information*)
 - i) Northland Central – Rodriguez Construction Update (*Information*)
 - j) Northland Central – Covid Related Tenant Discussions (*Information*)
 - k) 537 E. Delavan – Subdivision Update (*Information*)
 - l) 541 E. Delavan – Construction & Budget Update (*Information*)
 - m) Plesh / BUDC Land Exchange Update (*Information*)
 - n) COB / BUDC (NorDel II) Land Exchange Update (*Information*)
- 3) Buffalo Lakeside Commerce Park
 - a) 193 SCP – LaBella Supplemental Investigation Update (*Information*)
 - b) 193 SCP – Prospect Update (*Information*)
 - c) Parcel 3 – Arcadis FER/SMP Certification Project Update (*Information*)
 - d) Uniland Development Co. Land Sale Agreement Update (*Information*)
 - e) Zephyr Investors, LLC Land Sale Agreement Update (*Recommendation*)
 - f) Parcel 5 NYSDEC Determination Letter (*Information*)
- 4) 308 Crowley Project Update (*Information*)
- 5) Adjournment (*Action*)

**Minutes of the Meeting
of the
Real Estate Committee
of
Buffalo Urban Development Corporation**

Via Video Conference Call & Live Stream Audio

**June 23, 2020
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Kimberley A. Minkel
Dennis M. Penman

Committee Members Absent:

Brendan R. Mehaffy
Craig A. Slater, Chair
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
Brandye Merriweather, Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqab Abidi, Assistant Treasurer

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C.; Rebecca Gandour, BUDC; Arthur Hall, BUDC; David A. Stebbins, Bisonwing Planning and Development, LLC; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order by Mr. Penman at 12:04 p.m., who served as acting Chair of the meeting. A quorum of the Committee was not present. Information items 2(a) through 2(g) were presented first. Ms. Curry joined the meeting during the presentation of item 2(f), at which a quorum was present.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202.1, issued by Governor Andrew Cuomo on March 12, 2020. The meeting was also live-streamed to the general public and recorded. A transcript of the meeting will be made available at a later date.

1.0 Approval of Minutes – Meeting of May 19, 2020 – The minutes of the May 19, 2020 Real Estate Committee meeting were presented. Ms. Curry made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

- (a) **Northland Corridor – Mancuso Group Contract Extension** – Mr. Cammarata presented a request for Committee authorization to extend the terms of the current property management and leasing services agreement with Mancuso Business Development Group through December 31, 2020. The current agreement is set to expire on July 31, 2020. Mr. Cammarata indicated that BUDC staff will negotiate a new agreement with Mancuso before the end of the year, which will be presented to the Board for approval. Because the dollar amount associated with the proposed extension is less than \$25,000, the Committee is authorized under the BUDC procurement policy to approve the short-term extension. Mr. Kucharski made a motion to approve the extension of the current property management and leasing services agreement with Mancuso Business Development Group through December 31, 2020. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).
- (b) **Northland Corridor – Community Solar & Microgrid Update** – Ms. Gandour updated the Committee regarding the campus energy microgrid and community solar project for the Northland Corridor. Ms. Gandour noted that initial funding for this work is expected to be provided by Empire State Development (ESD), and that the ESD Board will not consider the funding request until this fall. Mr. Tronolone commented on the impact of the COVID-19 pandemic on the processing of new ESD funding commitments.
- (c) **Northland Corridor – Beltline BOA, LISC Grant & Misc. Updates** – Mr. Hall presented an update on several Northland Corridor matters. He noted that the LISC grant agreement has been executed and that all Section 4 requirements have been satisfied. BUDC will submit the BOA document to the NYS Department of State this week. One final public meeting for the BOA will be held via videoconference. Mr. Hall reported on a potential EDA grant application to be submitted in connection with the redevelopment of 631 Northland. He also stated that an application for National Grid grant funding for 777 Northland was submitted, and that a final demolition estimate was received for the project. A virtual meeting for the Northland Corridor business networking series will be scheduled for late July.
- (d) **Northland Central – Phase 2 Construction Updates** – Mr. Cammarata reported that Gilbane has relocated its field office to the Albright-Knox Art Gallery on Elmwood Avenue as Phase 2 nears completion. The commissioning work for the Phase 2 mechanicals is complete, with the exception of the final report. The project has received temporary certificates of occupancy. The red shed building has been completed except for the railings. The landlord work for the Retech space is nearly complete other than the basement sprinkler item.
- (e) **Northland Central – Periodic Review Report Submittal** – Mr. Cammarata reported that LiRo Engineers completed the periodic review report and has submitted it to NYSDEC for comments.
- (f) **Northland Central – Retech Lease Commencement Letter** – Mr. Cammarata stated that a letter has been issued to Retech establishing a July 1, 2020 commencement date for the lease. The premises has been turned over to Retech. Retech will commence work on the tenant improvements soon, which are expected to be completed over the next six months.
- (g) **Northland Central – Rodriguez Construction Update** – Mr. Cammarata reported that the Rodriguez Construction lease has been executed. The tenant will commence work on tenant improvements once plans are presented and approved by BUDC staff. The build-out is expected to be complete by October 31, 2020, with rent commencing as of November 1, 2020.
- (h) **Northland Central – COVID-19 Related Tenant Lease Discussions** – Mr. Cammarata informed the Committee of ongoing discussions with several tenants relating to the financial

impact of the pandemic on their businesses. Mr. Kucharski made a motion for the Committee to enter executive session to discuss the financial or credit history of Northland corridor tenants. The motion was seconded by Ms. Minkel and unanimously carried (4-0-0). At the conclusion of executive session, Ms. Curry made a motion to exit executive session. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0).

- (i) **537 E. Delavan – Subdivision Update** – Mr. Bussiere noted that John Fell has been provided with all required documents for the proposed subdivision request that BUDC will present to the Planning Board. It is not known yet when the Planning Board will consider the item.
- (j) **541 E. Delavan – Construction & Budget Update** – Mr. Cammarata reported that some construction work at 541 East Delavan has resumed and that Apollo Steel is currently installing re-enforcing steel at the site. All other Phase 1(C) construction work remains on hold as BUDC works through Restore NY grant reimbursement timing issues.
- (k) **631 Northland – Rehabilitation Project Financing Update** – Ms. Gandour reported that two meetings have been held with the Cannon Heyman Weiss tax credits consulting team for the 631 Northland project. BUDC is exploring a grant opportunity through EDA, which would help fill a project financing gap.
- (l) **777 Northland – Security, Select Demolition & Budget Update** – Mr. Cammarata informed the Committee that fencing has been installed at 777 Northland. 34 Group solicited bids for the select demolition work and is reviewing responses. A recommendation will be presented at the July Committee meeting to select the demolition contractor for the work.
- (m) **Plesh Gate & Land Exchange** – Mr. Bussiere informed the Committee that the parties are working on title matters for the respective parcels to be exchanged.
- (n) **NorDel II/COB Land Exchange Update** – Mr. Bussiere provided an update regarding the land exchange transaction. New surveys have been received and provided to City of Buffalo legal counsel. Communications are ongoing to finalize the exchange documents.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **193 Ship Canal Parkway – LaBella Supplemental Investigation Proposal** – Mr. Cammarata presented the June 2, 2020 proposal from LaBella Associates regarding further environmental sampling and testing at the 193 Ship Canal Parkway site. This work had been discussed at the last Committee meeting, but a specific dollar amount was not then available. Mr. Cammarata reviewed the scope of work, which includes a proposed cost of \$28,900. Ms. Minkel made a motion to recommend that the Board of Directors approve the LaBella Associates proposal in the amount of \$28,900 and to utilize the Buffalo Brownfields Redevelopment Fund to pay for this cost. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0).
- (b) **193 Ship Canal Parkway – Prospect Update** – Mr. Cammarata reported that a new prospect has expressed interest in the parcel. The prospect toured the site and has submitted a letter of interest. Mr. Kucharski noted that there is continuing interest in buildings and sites despite the COVID-19 pandemic.

- (c) **Parcel 3 –Arcadis FER/SMP Certification Project Update** – Mr. Cammarata reported that Arcadis has started work on the final engineering report and soil management plan. The report is expected to be completed and provided to the NYSDEC by the end of the summer.
 - (d) **BLCP – Uniland Development Co. Land Sale Agreement Update** – Mr. Zanner noted that this property remains under contract with Uniland, with the due diligence period set to expire on August 31, 2020.
 - (e) **BLCP – Zephyr Investors, LLC Land Sale Agreement Update** – Mr. Zanner noted that this property remains under contract with Zephyr Investors, with the due diligence period set to expire on July 31, 2020.
 - (f) **BLCP – Parcel 4 Easement Update** – Mr. Bussiere informed the Committee that the environmental easement has been recorded and the municipal notice letter will be drafted and provided to the City of Buffalo upon receipt of the recorded easement information.
- 4.0 308 Crowley Update** – Mr. Cammarata updated the Committee on developments at the 308 Crowley site, including the negotiations with SHPO regarding a targeted demolition of the main plant building. He noted that SHPO has taken a closer look at the demolition request based on input from LiRo Engineers and may be more amenable to the proposed selective demolition work.
- 5.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Penman and unanimously carried, the June 23, 2020 meeting of the Real Estate Committee was adjourned at 12:58 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary

777 Northland Bid Results Phase 1 Partial Demo	Base Bid	Alternate 1	Contingency	Total Bid
Bidder #3	377,000.00	39,000.00	66,560.00	482,560.00
				-
Empire Dismantlement	281,000.00	65,000.00	54,000.00	400,000.00
				-
Bidder #2	350,600.00	47,562.00	63,706.00	461,868.00

5/20/2020 Walked site to revise & review scope of work with BUDC & 34 Group

5/21/2020 Sent out RFP revised Scope for rebid

5/29/2020 Bids received

6/3/2020 Descope Sent Out

6/9/2020 Descope interviews scheduled for Tue.

6/9/2020 Discuss internally Best Bid, MWBE Requirements, concerns, etc. Select contractor

6/11/2020 send out letter of intent

6/11/20 thru 8/31/20 Receive Insurances, submittals, postings, begin contract execution (upon board approval)

9/1/2020 Tentative Start Date

Submitted by Dave Dittmar Project Manager 34 Group for approval

BUFFALO URBAN DEVELOPMENT CORPORATION

**AMENDED AND RESTATED LEASING POLICY
FOR NORTHLAND CORRIDOR PROPERTIES**

A. Purpose.

This leasing policy (the "Leasing Policy") sets forth the requirements and procedures for the leasing of buildings located in the Northland Corridor Project area that are owned by Buffalo Urban Development Corporation or any of its subsidiary or affiliated companies (hereinafter "BUDC").

B. Leasing Requirements.

1. Written Appraisal.

BUDC shall engage a licensed appraiser to prepare a written fair market rent study ("FMR Study") for the buildings located at 631, 683 and 741 Northland Avenue and 537 East Delavan Avenue (the "Northland Properties") prior to entering into any lease arrangement. The FMR Study shall be updated from time to time to account for changing market conditions as determined by BUDC.

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2. Marketing.

BUDC, through its property manager/rental agent, shall publicly advertise and market the Northland Properties to prospective tenants at rental rates that are consistent with their appraised fair market rent value as set forth in the FMR Study (the "Appraised Rent Value").

3. Tenant Use.

BUDC shall not lease any of the Northland Properties for a use that is inconsistent with the overall redevelopment plan of the Northland Corridor or not reflective of the surrounding community, or for any purpose that is inconsistent with BUDC's corporate purpose, mission or the law under which BUDC is incorporated.

4. Negotiation of Lease Transactions.

All leases of Northland Properties shall be made through negotiation, upon terms and conditions acceptable to BUDC and authorized in compliance with the terms of this Leasing Policy. Without limiting the generality of the preceding sentence, the specific lease terms to be negotiated will be reflective of the particular location (i.e., building, building space or property) to be leased, and may include provisions for tenant improvements, triple net lease obligations and such other commercial lease terms and conditions as BUDC deems appropriate.

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C. Procedure for Lease Approvals.

1. Short Term Leases.

The President and any Vice President of BUDC shall each have the authority to negotiate and execute all leases that are for a term of one (1) to twelve (12) months with annual rent of no more than Fifteen Thousand Dollars (\$15,000), provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property. The President or Vice President (as applicable) shall report the terms of any lease entered into in accordance with this paragraph at the respective meetings of the Real Estate Committee and Board of Directors that immediately follow the date of execution of the lease.

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2. Mid-Term/Mid-Size Leases.

The BUDC Real Estate Committee shall have the authority to authorize the negotiation and execution by the President and any Vice President of the following categories of leases:

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(a) Leases that are for a term of one (1) to twelve (12) months with annual rent of more than Fifteen Thousand Dollars (\$15,000) but less than Twenty Five Thousand Dollars (\$25,000), provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property; and

(b) Leases that are for a term of more than twelve (12) months up to thirty-six (36) months with annual rent of Twenty Five Thousand Dollars (\$25,000) or less, provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property.

(c) All leases executed in accordance with paragraph 2(a) or 2(b) this section shall be reported at the next meeting of the BUDC Board of Directors that follows the date of execution of the lease.

3. Leases Requiring Board Approval.

The approval of the BUDC Board of Directors of a Northland Properties lease arrangement shall be required under the following circumstances:

(a) Any lease in which the rent to be received by BUDC is less than the Appraised Rent Value of the property.

(b) Any lease for a term that exceeds thirty-six (36) months.

(c) Any lease in which the annual rent is in excess of Twenty Five Thousand Dollars (\$25,000).

D. Other Requirements.

1. Leases for Less than Appraised Rent Value.

The procedures for Board review and approval that are set forth in Article III(B)(5) of the BUDC Property Disposition Guidelines shall apply to any proposed lease in which the rent to be received by BUDC is less than the Appraised Rent Value of the property. For purposes of determining whether the rent to be received by BUDC under a particular lease arrangement is less than the appraised fair market rent, any costs that the tenant will be responsible for under the terms of the lease, including base rent, items of additional rent (utilities, CAM charges, insurance, etc.) and any tenant improvements to be paid for or financed by the tenant may be factored into such determination at BUDC's discretion.

2. Written Statements.

Written statements shall be prepared and submitted as required under Article III(B)(4) of the BUDC Property Disposition Guidelines for any lease in which the annual base rent over the term of the lease exceeds Fifteen Thousand Dollars (\$15,000).

F. Lease Modifications.

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~~The President of BUDC shall have the authority to negotiate and execute written modifications of any existing lease that was previously authorized in accordance with the provisions of this Policy, provided however, that the approval of the BUDC Real Estate Committee shall be required for any proposed modification to (i) reduce by ___% or more the amount of rent payable by the tenant over the term of the lease or (ii) reduce or extend the term of any lease.~~

G. Effective Date: Amendments.

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This Leasing Policy shall be effective as of the date that the Board of Directors approves the policy by affirmative vote of a majority of the Board, and may be amended upon the affirmative vote of a majority of the Board.

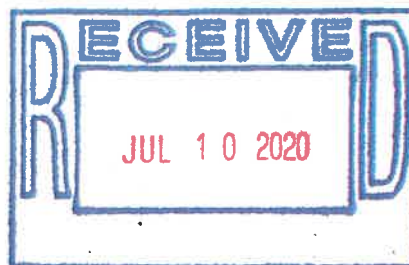
Adopted: December 15, 2015
~~Amended: _____, 2020~~



**Parks, Recreation
and Historic Preservation**

ANDREW M. CUOMO
Governor

ERIK KULLESEID
Commissioner



ITEM 24

July 2, 2020

Peter Cammarata
President
683 Northland LLC
Buffalo Urban Development Corp.
905 Perry Street
Buffalo, NY 14203

Dear Mr. Cammarata:

Re: Part 3
Niagara Machine and Tool
683 Northland Avenue
Buffalo, Erie County
17PR2366/NPS# 35984

The New York State Historic Preservation Office has completed review of the submitted Part 3 "Request for Certification of Completed Work" application for Niagara Machine and Tool Works Main Factory and Pattern Shed. We feel that the materials show that the work was completed in accordance with the approved Part 2 application and have forwarded the materials to the National Park Service with the recommendation that the proposal continue to receive Final Certification. You can expect to hear from the National Park Service regarding their decision in approximately 45 days.

Your project is located in Erie County Census Tract #34 which makes it eligible for the New York State Rehabilitation Commercial credit as well as the Federal Credit. We have record of the Part 2 review fee being paid; if you are still interested in applying for the state credit, please submit the review fee for the Part 3, which is \$4,500. Please forward a check made out for that amount; with "Commercial Credit, 17PR02366" in the memo line.

If anyone has any questions, please call me at (518) 237-8643, ext. 3271.

Sincerely,

Julian W. Adams
Director, Bureau of Community Preservation Services

CC: Barbara Campagna, BAC Architecture and Planning